

ORDER

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

AEA-60161/62
EA AT 4400 .1

12/8/94

SUBJ: CREDIT CARD PROGRAM

1. **PURPOSE.** This order establishes guidelines, assigns responsibilities, and describes procedures for the Government Credit Card usage in the Eastern Region Air Traffic Division.

2. **DISTRIBUTION.** This order is distributed to the Branch level and above in the Air Traffic Division and all Eastern Region Air Traffic Facilities.

3. **BACKGROUND.**

a. The International Merchant Purchase Authorization Card (IMPAC) is an internationally accepted VISA card which enables a cardholder to make small purchases under an established delegation of authority. It is designed for official Government employees. The IMPAC streamlines the administration of small dollar acquisitions; reduces the use of SF 44's and imprest fund; improves cash forecasting; and provides rapid payment to merchants.

b. There are four local contacts involved in the IMPAC Program. They are the Administrative Office Contact (AOC), the Contracting Officer's Technical Representative (COTR), the Disputes Office Contact (DOC), and the Finance Office Contact (FOC).

c. The primary responsibilities of the AOC are: informing potential users of the program's availability, coordinating prospective cardholder and approving official training, providing application forms to potential users, approving applications for potential users, approving changes to accounts, and canceling cardholder privileges.

d. The primary responsibilities of the COTR are: ensuring each prospective cardholder and approving official receive training in IMPAC procedures, small purchase procedures, issues of procurement integrity; and methods for submitting applications, changes, and cancellations to the card issuing bank; and ensuring each cardholder receives a delegation of small purchase authority.

e. The primary responsibilities of the DOC are: resolving any disputed purchase, assisting with sales tax refunds, and resolving billing errors.

f. The primary responsibilities of the FOC are: responding to payment inquiries from the AOC, COTR, approving official, cardholder, or card issuing bank; verifying that amounts on each cardholder statement of account are correct; certifying for payment all authorized credit card purchases; and making payment to the card issuing bank.

4. **CONTROLS.** Each cardholder will have a maximum single purchase limit of \$300 or less and a 30-day limit of \$500 or less. Total expenditures by all cardholders under the approving official's authority cannot exceed this amount.

5. **PROHIBITED/RESTRICTED PURCHASES.** The IMPAC is official Government use-only--not for personal use. The card cannot be used for the following:

- a. Cash advances.
- b. Airline, bus, boat, or train tickets.
- c. Rental or lease of vehicles.
- d. Meals, beverages, or lodging.
- e. Gas, oil or repairs for vehicles.
- f. Telecommunication services.
- g. Building space rental or lease.

6. **PURCHASE REQUIREMENT.** Cardholders may not simply go shopping with the credit card when a requirement exists. He/she must first ensure:

a. Government funds are certified as available. **THE FUNDS CERTIFICATION OFFICER, AEA-543, MUST APPROVE ALL PURCHASES BEFORE THE CREDIT CARD PURCHASE.**

b. Goods/services are not prohibited or restricted. (If the items are restricted, approvals must be obtained and documented prior to the purchase.)

c. The potential action does not replace effective procurement planning which promotes savings through volume discounts.

d. The potential action does not split purchases to keep dollar amounts within the thresholds for credit card purchases or circumvent procurement regulations.

7. **REQUIRED SOURCES OF SUPPLIES AND SERVICES.** Before making a buy, the cardholder must ensure that the goods are not available from a required source of supply such as the FAA Logistics Inventory System (LIS), excess inventory, Federal Prison Industries (UNICOR), General Supply Administration (GSA), Defense Logistics Agency (DLA) or Mandatory and Optical Use Federal Supply Schedules (GSA Contracts).

8. SMALL PURCHASE AND OTHER SIMPLIFIED PURCHASE PROCEDURES. All purchases with the credit card are required by law to be purchased from small businesses unless:

- a. The price quoted by a small business is unreasonable.
- b. The small business source is not responsible.
- c. The cardholder does not have a reasonable expectation of obtaining two small business quotes that will be competitive in terms of price, quality, and delivery.

A small business is a business that is independently owned and operated and has fewer than 500 employees. If the cardholder does not purchase from a small business, he/she must prepare a written documentation on the purchase record.

9. FOREIGN ACQUISITION. Because of the complicated provisions of the Buy American Act, assistance should be obtained from the Office of Acquisition prior to making any purchase of goods not mined, produced, or manufactured in the United States.

10. MAKING THE PURCHASE.

a. After the Funds Certification Officer approves the credit card purchase, the cardholder can go shopping, select the merchandise, present the credit card to the sales clerk, and advise the sales clerk that the purchase is tax exempt. Before the cardholder signs the sales receipt, he/she should verify that all charges are correct and make sure that no tax has been charged. **THE CARDHOLDER MUST RETAIN A COPY OF THE SALES SLIP FOR THE PURCHASE RECORDS.** The receipt will be used to validate the monthly billing statement.

b. Credit cards can also be used to make telephone or mail order purchases. However, the cardholder must make a written record of the purchase. When these purchases are made please advise the merchant that payment for these purchases cannot be made until the material has been received. Be sure to advise the merchant that the purchase is tax exempt.

11. BILLING RESPONSIBILITIES.

a. Upon receipt of the monthly billing statement, the cardholder, must verify that the charges are correct and that no sales tax has been included. The cardholder must provide a description of each purchase on the description line of the statement. If purchases are to be charged to a different accounting code than the one appearing on the statement, an adjustment must be made. Annotate the accounting code to be charged and the amount of the charge on the face of the statement or use a separate adjustment form.

b. If the cardholder discovers a billing error on the statement, list it in the space provided on the reverse side of the statement and complete a Questioned Item Form. (This form is used

by the DOC to report errors or disputes. For example, if you bought a part that later proved to be defective, the cardholder should contact the merchant and get a credit or replacement as soon as possible. If the charge for the defective part shows up on your invoice BEFORE the matter is settled with the merchant, it has to be listed in the space provided on the reverse side of the statement and complete the Questioned Item Form.)

c. The approving official is responsible to review the statement of account for each cardholder under their control for completeness and accuracy. The approving official is also responsible for ensuring that all purchases are valid Government requirements and are supported by required approvals and receipts..AND that disputed items are annotated and clearly described on the statement and are supported by a Questioned Item Form.

d. After validating the statements, the approving official must sign the reverse side of the statement and submit the original signed statements and Questioned Item Forms to AEA-25 for payment or withholding of payment. This must be done within 15 working days of the cardholder's receipt of the statement.

e. Prior to submission to AEA-25, the cardholder must make duplicate copies of the signed statements and Questioned Item Forms. These must be attached to the appropriate sales receipts, telephone/mail order logs, and other purchase documents and retained for a period of 3 years in a secured cabinet or container. **Only the original signed statements and Questioned Item Forms are sent to AEA-25.** If a cardholder or approving official is not available for verification at the time that statements are due, arrangements must be made for the approval to be handled by another individual. This is the responsibility of the cardholder's supervisor. The approving official or cardholder will later review the interim verification and certify its accuracy of take action to resolve the problem.

f. When a cardholder no longer needs the credit card, resigns, is terminated, or dies, the approving official must complete a Card Destruct Notice and forward it to the Contracting Officer's Technical Representative, AEA-55. The card should be cut in half in the approving official's presence and forwarded with the Card Destruct Notice. If a change is required in accounting data, spending limits, etc., an Account Maintenance Form must be completed and submitted to AEA-55. If the approving official is replaced, an Account Maintenance Form must be completed identifying the new approving official. This form must be submitted to AEA-55.

12. SECURITY.

a. The cardholder upon discovering that his /her credit card has been lost or stolen must immediately notify the card issuing bank, the approving official, the Civil Aviation Security Division (AEA-700), and the Contracting Officer's Technical Representative (COTR). The information reported must include:

- (1) The cardholder's complete name.

(2) The card account number.

(3) The purchases made on the date the card was lost or stolen.

(4) In the event of theft, the cardholder must report the date the stolen card was reported to the police.

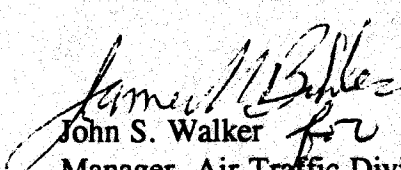
Written notification must be sent to the card issuing bank and the COTR (AEA-55) within 5 working days following the loss or theft, along with complete information.

The cardholder is completely responsible for safeguarding the card.

13. PROCUREMENT INTEGRITY.

a. As an agent of the Government involved in the purchasing process, the cardholder must be aware of the considerable penalties for violation of ethics rules. Therefore, it is important that the cardholder have a sound understanding of the procurement integrity.

b. First, don't solicit or accept a promise of future employment for a merchant. This is an obvious conflict of interest. Next, don't solicit money, gratuities or things of value. Be aware that contractors are restricted from making such offers. Employees who violate these rules are subject to removal or other adverse action. Cardholders should read the legal overview to the Procurement Integrity Act for a complete understanding of these issues.


John S. Walker
Manager, Air Traffic Division

Appendix 1

APPENDIX 1. CREDIT CARD APPROVAL REQUEST

DATE:

FACILITY REQUESTING PURCHASE:

**NOTE: THE FUNDS CERTIFICATION OFFICER MUST SIGN THIS REQUEST BEFORE
PURCHASES ARE ORDERED.**

ITEM DESCRIPTION:

ESTIMATED DOLLAR AMOUNT:

NAME OF COMPANY ORDERING FROM:

COMPANY'S ADDRESS:

TELEPHONE NUMBER:

APPROPRIATION CODE:

APPROVING OFFICIAL: _____

MARY ELLEN GRANT
FUNDS CERTIFICATION OFFICER (AEA-543)